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C O N F I D E N T I A L BUENOS AIRES 002795

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WHA FOR A/S SHANNON, DAS DUDDY, DMCCARTHY
WHA/BSC FOR BARNES, FRIEDMAN, MOSS, BLAKENEY
NSC FOR JUAN ZARATE AND JOSE CARDENAS
USDOC FOR 4322/MAC/OLAC/PEACHER

E.O. 12958: DECL: 12/19/2016
TAGS: [BEXP](#) [ECON](#) [EAIR](#) [PTER](#) [ETRD](#) [CIVAIR](#) [AR](#)
SUBJECT: PLANNING MINISTER DE VIDO ON U.S.-ARGENTINE
RELATIONS, VENEZUELA, TERROR FINANCE, AND COMMERCIAL ISSUES

Classified By: Ambassador E. Anthony Wayne for reasons 1.4(b) and (d).

¶1. (SBU) Summary: Ambassador met with Minister of Planning Julio De Vido to discuss a wide range of issues. Minister De Vido, who is President Kirchner's top minister and one of his closest advisors, asserted that U.S.-Argentine relations were in a very good situation. De Vido said U.S.-Argentina relations were only mentioned in passing during President Chavez' dinner with Kirchner. He sharply differentiated Argentina's policies from Venezuela's, highly praised A/S Shannon's approach to the region and Argentina, expressed concern about Bolivia and Nicaragua. De Vido weighed in positively at the Ambassador's request on the new terrorism finance law. He agreed to hold industry sector roundtables with the Ambassador soon on the energy generation and transmission and on air transportation. He also expressed interest in the America's Competitiveness Forum. End summary.

¶2. (C) Chavez Visit and the U.S.:
On Monday, December 18, 2006, Ambassador Anthony Wayne met with Minister of Planning Julio Miguel De Vido, the top Minister in Argentina and one of President Kirchner's closest advisors and operators. The meeting was scheduled at Ambassador Wayne's request to discuss press reports about a dinner between Presidents Kirchner and Chavez during which President Kirchner reportedly gave Chavez a briefing on U.S.-Argentine relations. The article purported that President Kirchner had told President Chavez that he needed to focus on improving relations with the United States prior to the October 2007 elections and that part of that would require him to characterize Argentina's bilateral relations with Venezuela as more economically than politically motivated. Minister De Vido said that the article was totally mistaken. He pointed out that contrary to what was said in the article, Carlos Zannini, Secretary for Legal and Administrative Affairs in the Presidency, did not attend because he was at a school event for his son. He also said that the meeting focused on regional matters rather than Argentine-U.S. relations.

¶3. (C) Minister De Vido said the December 7 dinner lasted until 3:00 a.m. and included Presidents Kirchner and Chavez, Venezuela's Minister of Energy, Argentine Chief of Cabinet

Alberto Fernandez, Argentine First Lady Senator Cristina Fernandez de Kirchner and himself. Among the topics of discussed were the approaching Summit in Bolivia, the upcoming MERCOSUR meeting in Brazil next January, Bolivia and Ecuador. Bolivia was the main theme. The U.S. was mentioned only briefly.

14. (C) Venezuela:

Following up on this regional theme, the Ambassador inquired about Argentina's opinion about a number of regional issues. De Vido said Argentina considers Venezuela to be an important friend and neighbor, however the Kirchner government does not share President Chavez' use of exaggeration and drama when addressing his differences with the United States. He said that Chavez tends to cross the line and talk more than he should. De Vido said that Argentina was much more direct and pragmatic in its dealings with others. Ambassador Wayne highlighted the recent meeting between Venezuela's Foreign Minister and U.S. Ambassador Brownfield as a sign that the U.S. was willing and interested to work with all democratically elected governments in the region, including Chavez in Venezuela as well as Morales in Bolivia, Ortega in Nicaragua and Correa in Ecuador.

Bolivia: De Vido said the GOA shares U.S. concerns about the situation in Bolivia and does not want to see things nose-dive to the point where widespread violence erupts and/or regions begin to secede. Their greatest concern is eastern Bolivia where the departments of Santa Cruz and Tarija talk about breaking away from the rest of the country because they are tired of having La Paz make the rules and mistakes while they have to pay the bills. Minister De Vido said that the U.S. decision to extend the Andean Trade Preferences for another six months in Bolivia was a very good gesture.

Ecuador: Minister De Vido said he had visited Quito just 3-4 months ago and that he was under the impression that President Palacios was doing a good job of organizing an orderly transition to what we now know will be President Correa. Ambassador Wayne expressed U.S. hopes that President Correa would govern from the center recognizing that he had not been handed an overwhelming mandate and he was elected by centrist voters.

Nicaragua: Minister De Vido indicated that newly-elected Sandinista President Daniel Ortega was not highly regarded by the Kirchner administration.

U.S.-MERCOSUR Relations: Minister De Vido said that as he discussed with A/S Shannon the USG should focus on developing a constructive trade agenda with MERCOSUR as a group now that it appears that the FTAA is on the backburner for the time being.

15. (SBU) Good Bilateral Relations: Minister De Vido characterized the present as a "great moment" in U.S.-Argentine bilateral relations. He said that Argentina had articulated a clear anti-terrorism position and that it does not have any major conflicts with any companies. Minister De Vido lauded A/S WHA Tom Shannon's approach to this region. He said that his respectful style based on analysis was very positive in the region and had created a better ambiance for dialogue. He specifically noted the A/S's recent public comments in NYC. He said that within Argentina, Ambassador Wayne's style was achieving the same thing on the binational level.

16. (C) Terrorism Finance Law: Even though the Terrorism Finance Law does not come under Minister De Vido's area of responsibility, Ambassador Wayne took advantage of his role as a top presidential advisor to emphasize the importance of moving forward on this initiative before February. Minister De Vido said that he would contact the President's Secretary for Legal and Administrative Affairs Carlos Zannini to relay the message. Later during the meeting, Minister De Vido spoke with Zannini on the telephone and reiterated the Ambassador's message. Mr. Zannini said that the draft

document was not complete and that there was a meeting scheduled that afternoon to work on it. He told Minister De Vido that as soon as it was complete he would call Ambassador Wayne to go over the text and discuss it. Minister De Vido said that fighting terrorism was a high priority of the GOA given that Argentina, like the United States, has been a victim of terrorism.

¶17. (SBU) Civil Aviation Visit to Washington: Ambassador Wayne mentioned the recent visit that Secretary of Transportation Jaime (under Minister De Vido) had made to Washington to meet with U/S of Transportation Shane, FAA Administrator Blakey and NTSB Chairman Rosenker. He noted that both the FAA and ICAO had expressed a willingness to provide the GOA with technical assistance as it transfers responsibility for air traffic control from military to civilian authorities.

¶18. (C) Concerns of U.S. Air Carriers: Ambassador Wayne raised concerns expressed to him by both U.S. passenger and cargo air carriers concerning the relatively high costs and subpar services at Argentine airports compared with others in the region. He also mentioned the U.S. airlines' concerns about the continued special treatment accorded to Aerolineas Argentinas in terms of fees charged at airports. Minister De Vido said that the GOA was open to discussing these issues with the airlines, but cautioned that there are a lot of myths on all sides of this issues. He said that the GOA had considered a number of options, including the re-nationalization of airport services and the rescission of the Aeropuertos Argentina 2000 concession, but that both of those had been discarded. The GOA decided to continue to work with AA2000 to try and address the concerns of the

airlines. He noted that AA2000 has a lot of ties with the United States and that any discussions about improving the situation should include AA2000 President Ernesto Gutierrez. He said he felt progress could be made regarding the problems of U.S. companies even if Argentina's Congress approves a new agreement with AA2000 in the days ahead. (NB: The GOA will soon be taking a substantial equity stake in AA2000 to cover some of the company's outstanding debts to the GOA.)

¶19. (SBU) Industry Sector Roundtables: Following up on Minister De Vido's offer during their first meeting a month ago, Ambassador Wayne inquired as to the Minister's availability to participate in lunches with U.S. firms in key sectors of the economy. The Ambassador suggested that he could host the first lunches in January to discuss Electric Power Sector with U.S. generation, transmission, and distribution firms and a second with air transport companies. Minister De Vido said that he would like that and some recent developments in the sectors would make such a meeting very useful to him.

¶10. (SBU) Digital Television: The Ambassador thanked Minister De Vido for his agreeing to host a meeting for senior executives from the ATSC Forum companies for a presentation and demonstration of the U.S. standard for digital television. The meeting will be held on December 20. Ambassador Wayne will accompany the delegation, along with the South Korean Ambassador to Argentina.

¶11. (SBU) Americas Competitiveness Forum: Ambassador Wayne told Minister De Vido that he would soon be receiving a formal invitation to participate in the Americas Competitiveness Forum that Secretary of Commerce Carlos Gutierrez will be hosting in Atlanta June 11-13, 2007, and expressed hope that he could. Minister De Vido commented that he had met with Secretary Gutierrez last year and spoken to him twice this year including recently on digital TV. He seemed keenly interested in the forum.

¶12. (C) Comment: Minister De Vido was generous with his time, frank in his comments and often expressed his view that bilateral relations are passing through a good and opportune time. The views he expressed on a number of bilateral regional issues seemed to coincide with our own at least in

substance if not in style. End Comment.
WAYNE